

April 22, 1968

*42*  
AIRTEL

1 -

b6  
b7C

REC-44 *137-3081-1*

TO: SAC, Little Rock

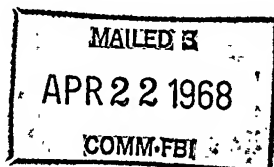
FROM: Director, FBI

UNKNOWN SUBJECT;  
MICROPHONE DEVICE LOCATED  
IN TELEPHONE OF JACK STEPHENS,  
STEPHENS, INCORPORATED,  
LITTLE ROCK, ARKANSAS  
UNAUTHORIZED USE OF COMMUNICATIONS

Reurairtel 4/19/68.

If the device found in the Stephens telephone is determined to be one not installed by the local telephone company, it should be forwarded to the FBI Laboratory for appropriate examination. The determination as to whether it is an unauthorized device and its removal from the telephone instrument should be handled by the telephone company.

JJB:mtw  
(4)



Tolson \_\_\_\_\_  
DeLoach \_\_\_\_\_  
Mohr \_\_\_\_\_  
Bishop \_\_\_\_\_  
Casper \_\_\_\_\_  
Callahan \_\_\_\_\_  
Conrad \_\_\_\_\_  
Felt \_\_\_\_\_  
Gale \_\_\_\_\_  
Rosen \_\_\_\_\_  
Sullivan \_\_\_\_\_  
Tavel \_\_\_\_\_  
Trotter \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holmes \_\_\_\_\_  
Gandy \_\_\_\_\_

*42*  
*137-3081-1*  
62 APR 29 1968  
MAIL ROOM ☐ TELETYPE UNIT ☐

F B I

Date: 4/19/68

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)Via AIRTEL AIR MAIL  
(Priority)

TO: DIRECTOR, FBI

FROM: SAC, LITTLE ROCK (139-NEW) P

RE: ~~UNKNOWN SUBJECT;~~  
~~Microphone Device Located~~  
~~in Telephone of JACK STEPHENS,~~  
~~Stephens, Incorporated,~~  
~~Little Rock, Arkansas~~  
 UNAUTHORIZED USE OF COMMUNICATIONS

OO LITTLE ROCK

On 4/18/68, [redacted] of Communications, Arkansas-Louisiana Gas Company, Shreveport, Louisiana, furnished the following information:

[redacted] was in Little Rock, Arkansas, in connection with business pertaining to operations of Arkansas-Louisiana Gas Company, which has extensive operations in Arkansas, as well as other states and is a rather large public utility company. The president of Arkansas-Louisiana Gas Company is WHIT STEPHENS. WHIT STEPHENS has a brother, JACK STEPHENS, who operates Stephens, Incorporated, located in the Stephens Building, 115 East Capitol, Little Rock, Arkansas. Stephens, Incorporated, maintains complete investment facilities, including corporate and municipal bond.

REC-44  
 WHIT STEPHENS asked [redacted] to check the telephone used by JACK STEPHENS because an informant had told JACK STEPHENS that his telephone was "bugged." [redacted] did check the telephone in the office of JACK STEPHENS and found the following-described device in the mouthpiece of the handset:

3 - Bureau  
 2 - Little Rock  
 LMK:lrc  
 (5)

airtel, for Little Rock  
 4/22/68

1 APR 22 1968

b6  
b7C

C. C. Bishop

Approved: \_\_\_\_\_

Sent \_\_\_\_\_ M

Per \_\_\_\_\_

Special Agent in Charge

LR 139-NEW

What appears to be a well constructed and designed replacement for the standard telephone microphone and which apparently is a radio transmitter.

[ ] advised he had tested the device and was able to pick up transmissions from it on 8.5, 9, 10, 11.5, 12.8, 13, 21, and 26 megacycles. [ ] further advised that there appeared to be only a slight change in tone on the telephone with this device from the normal telephone microphone.

b6  
b7C

JACK STEPHENS being interviewed to obtain complete information prior to submission of report. Report will be submitted by 4/26/68.

# FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE <b>LITTLE ROCK</b>	OFFICE OF ORIGIN <b>LITTLE ROCK</b>	DATE <b>4/26/68</b>	INVESTIGATIVE PERIOD <b>4/18 - 4/25/68</b>
TITLE OF CASE <b>UNKNOWN SUBJECT; MICROPHONE DEVICE LOCATED IN TELEPHONE OF JACKSON THOMAS STEPHENS, aka Jack Stephens, Stephens, Incorporated, Little Rock, Arkansas</b>		REPORT MADE BY <b>SA LOUIS M. KELLEY</b>	TYPED BY <b>LRC</b>
		CHARACTER OF CASE  <b>UNAUTHORIZED USE OF COMMUNICATIONS</b>	

## REFERENCES:

Little Rock airtel to Bureau, 4/19/68.  
Bureau airtel to Little Rock, 4/22/68.

- C -

## ADMINISTRATIVE:

One extra copy of this report made for the Little Rock Division in the event one should be furnished to the United States Attorney at a later date.

58 10

Photo

CC TO: <b>EDB-000</b>
REQ. REC'D <b>4/23/68</b>
<b>SEP 19 1984</b>
ANS BY: <span style="border: 1px solid black; border-radius: 50%; padding: 2px 10px;"> </span>

b6  
b7C

A\*  
(COVER PAGE)

ACCOMPLISHMENTS CLAIMED						NONE	ACQUIT-TALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES			
								PENDING OVER ONE YEAR <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO PENDING PROSECUTION OVER SIX MONTHS <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
APPROVED <i>[Signature]</i>						SPECIAL AGENT IN CHARGE		DO NOT WRITE IN SPACES BELOW
COPIES MADE:  <div style="border: 1px solid black; border-radius: 50%; padding: 5px; display: inline-block; margin: 5px;">2</div> - Bureau  2 - Little Rock (139-30)						139-3081 2		MCT-2
						8 APR 29 1968		REC-44
						EX-116		
Dissemination Record of Attached Report								
Agency	<i>Chin New</i>						Notations  <div style="border: 1px solid black; padding: 5px; display: inline-block;">STAT. SEC.</div>	
Request Recd.								
Date Fwd.	<i>5-9-68</i>							
How Fwd.	<i>694-111</i>	<i>21</i>						
By	<i>70</i>	<i>11/18/68</i>	<i>1968</i>					

*ICC CR4*

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

## Copy to:

Report of: SA LOUIS M. KELLEY  
Date: April 26, 1968

Office: LITTLE ROCK

Field Office File #: 139-30

Bureau File #:

Title: UNKNOWN SUBJECT;  
MICROPHONE DEVICE LOCATED IN TELEPHONE OF  
JACKSON THOMAS STEPHENS, STEPHENS, INCORPORATED,  
LITTLE ROCK, ARKANSAS

Character: UNAUTHORIZED USE OF COMMUNICATIONS

Synopsis: [redacted] employee, advised JACKSON THOMAS STEPHENS, President, Stephens, Inc., Little Rock, Arkansas, investment firm, that his telephone was tapped. Examination by STEPHENS and [redacted] revealed a microphone device in handset of telephone in STEPHENS' office. Telephone company advised not a device installed by that company. Office formerly occupied by [redacted] [redacted] who is involved in Arkansas politics. Device removed by [redacted] of Communications, Arkansas-Louisiana Gas Company, of which company STEPHENS' brother, WHIT STEPHENS, is President.

b6  
b7C

- C -

## DETAILS:

This investigation was instituted upon information received from [redacted] Southwestern Bell Telephone Company, Little Rock, Arkansas, that a radio transmitter device had been located in the telephone of JACK STEPHENS, 114 East Capitol, Little Rock, Arkansas. This device was removed by [redacted] Communications [redacted] for the Arkansas-Louisiana Gas Company.

b6  
b7C

1

## FEDERAL BUREAU OF INVESTIGATION

Date April 25, 1968

[redacted] Southwestern Bell Telephone Company, Little Rock, Arkansas, advised that a radio transmitter device had been located in the telephone of JACK STEPHENS, President, Stephens, Incorporated, 114 East Capitol, Little Rock, Arkansas. This device was not a telephone company installation and was removed from the telephone by [redacted] Communications [redacted] Arkansas-Louisiana Gas Company. [redacted] has offices in Shreveport, Louisiana, but was on business in Little Rock where his company has extensive offices. WHIT STEPHENS, President, Arkansas-Louisiana Gas Company, is the brother of JACK STEPHENS, in whose telephone the device was located.

b6  
b7C

On 4/18/68 at Little Rock, Arkansas File # LR 139-30  
by SA LOUIS M. KELLEY - lrc 2 Date dictated 4/24/68

FEDERAL BUREAU OF INVESTIGATION

1

Date April 25, 1968

[redacted] of Communications, Arkansas-Louisiana Gas Company, Shreveport, Louisiana, furnished the following information:

b6  
b7C

He was in Little Rock, Arkansas, in connection with business pertaining to operations of the Arkansas-Louisiana Gas Company, which has extensive operations in Arkansas, as well as other states and is a rather large public utility company. WHIT STEPHENS is the president of this company.

WHIT STEPHENS has a brother, JACK STEPHENS, who operates Stephens, Incorporated, located in the Stephens Building, 115 East Capitol, Little Rock, Arkansas. Stephens, Incorporated, maintains complete investment facilities, including corporate and municipal bonds.

WHIT STEPHENS asked him to check the telephone used by JACK STEPHENS because an informant had told JACK STEPHENS that his telephone was "bugged." [redacted] did check the telephone in the office of JACK STEPHENS and found the following described device in the mouthpiece of the handset:

b6  
b7C

What appears to be a well-constructed and designed replacement for the standard telephone microphone and which apparently is a radio transmitter.

He had tested the device and was able, with a tuneable receiver, to pick up transmissions from it on 8.5, 9, 10, 11.5, 12.8, 13, 21, and 26 megacycles. He advised there appeared to be only a slight change in tone on the telephone with the device as compared to the normal telephone microphone.

[redacted] advised he believed the device had been found by JACK STEPHENS in his office telephone, FR 4-4361, located in his office at 115 East Capitol, Little Rock, Arkansas, on April 17, 1968. He stated he had removed the device on April 17, 1968, and had tested it himself. He noted the device had been handled by numerous persons after it had been removed from the telephone.

b6  
b7C

On 4/18/68 at Little Rock, Arkansas File # LR 139-30

by SA LOUIS M. KELLEY - lrc 3 Date dictated 4/25/68

1

## FEDERAL BUREAU OF INVESTIGATION

Date April 25, 1968

JACKSON THOMAS STEPHENS, also known as JACK STEPHENS, President, Stephens, Incorporated, Stephens Building, 114 East Capitol, Little Rock, Arkansas, furnished the following information:

[ ] employee of Stephens, Inc., and who is now engaged in the real estate business in Little Rock, Arkansas, advised him a week ago last Tuesday, date not recalled, that he had overheard one private detective tell another one that JACK STEPHENS' telephone was tapped. [ ] stated he would not divulge the identities of these persons to STEPHENS, nor would he divulge them to the telephone company or the FBI since no purpose would now be served.

b6  
b7C

He and [ ] looked at his telephone and located what appeared to be a bug or microphone in the mouthpiece of his office telephone. They replaced this device and left it in the telephone.

STEPHENS stated he then got hold of [ ] of Communications, Arkansas-Louisiana Gas Company, through his brother, WHIT STEPHENS, who is president of that company. [ ] removed the device and replaced it with a normal telephone microphone.

He stated he had no idea where the device could have been monitored from although there are vacant offices in the Exchange Building, which is just across the alley from the Stephens Building.

He noted his telephone is FR 4-4361, Ext. 2, and is used for personal and business purposes. It has been used for a number of long-distance telephone calls. His office is located on the third floor of the building. This building is occupied by numerous other firms, as well as Stephens, Inc. There is no building on the east side of the building.

STEPHENS advised that up to eight months ago the office which he presently occupies was used by [ ]

b6  
b7C

On 4/25/68 at Little Rock, Arkansas File # LR 139-30

by SA LOUIS M. KELLEY - lrc 4 Date dictated 4/25/68



LR 139-30

2

b6  
b7C

[redacted] who has been very active in politics in Arkansas. WHIT STEPHENS also had a nearby office, which telephone has been removed. [redacted] is attempting to locate the instrument which was in that office prior to WHIT STEPHENS' move to the Arkansas-Louisiana Gas Company.

JACK STEPHENS advised he has no personal or marital difficulties and if it was his conversations which were monitored, it must be for business reasons. He stated he has not been involved in politics. He noted the office is not secure and anyone could have had access to either install or remove the device. He stated he had no idea how long the device could have been located in this telephone.



FEDERAL BUREAU OF INVESTIGATION  
WASHINGTON, D. C. 20535

1 - Gen. Invest. Div.  
(Att: )  
Rm. 2260  
1 - Mr. Conrad  
1 -   
1 -

b6  
b7C

To: FBI, Little Rock (139-30)

Date: 5-8-68

UNSUB;  
Re: MICROPHONE DEVICE LOCATED IN  
TELEPHONE OF JACKSON THOMAS  
STEPHENS, aka JACK STEPHENS,  
STEPHENS, INCORPORATED,  
LITTLE ROCK, ARKANSAS  
UPUC

*J. Edgar Hoover*  
John Edgar Hoover, Director

FBI File No. 139-3081-3  
Lab. No. E-576-JO

Examination requested by: SAC, Little Rock

Reference: Letter dated 4-25-68

REC-126

Examination requested: Engineering

Remarks:

Two photographs of Q1 are enclosed for your files.

MAILED 10  
MAY 9 1968  
COMM-FBI

Enclosures (4) (2 Lab report) (2 photographs)

Gov/JES:mcc

(7)

General Investigative Division, Rm 2260

Tolson \_\_\_\_\_  
DeLoach \_\_\_\_\_  
Mohr \_\_\_\_\_  
Bishop \_\_\_\_\_  
Casper \_\_\_\_\_  
Callahan \_\_\_\_\_  
Conrad \_\_\_\_\_  
Felt \_\_\_\_\_  
Gale \_\_\_\_\_  
Rosen \_\_\_\_\_  
Sullivan \_\_\_\_\_  
Tavel \_\_\_\_\_  
Trotter \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holmes \_\_\_\_\_  
Gandy \_\_\_\_\_

b6  
b7C

MAY 21 1968

MAIL ROOM ☒ TELETYPE UNIT ☐ ADMINISTRATIVE PAGE

MAY 14 1968

# REPORT of the



## FEDERAL BUREAU OF INVESTIGATION WASHINGTON, D. C. 20535

To: FBI, Little Rock (139-30)

Date: 5-8-68

Re: UNSUB; MICROPHONE DEVICE LOCATED  
IN TELEPHONE OF JACKSON THOMAS  
STEPHENS, aka JACK STEPHENS,  
STEPHENS, INCORPORATED,  
LITTLE ROCK, ARKANSAS  
UPUC

FBI File No. 139-3081  
Lab. No. E-576-JO

Specimens received 4-29-68

Q1 Telephone radio transmitter

### Result of examination:

Q1 is an FM radio transmitter housed in a round case measuring 5/8 inch by 1 13/16 inches, a shape similar to the microphone element in a telephone. The case material is white plastic with the front of the case painted a dull black.

When substituted for the regular microphone element in a telephone, Q1 will transmit a radio signal whenever the telephone to which it is attached is in use. Power for the unit is supplied by the telephone line, with 5.5 volts developed across Q1 at 35 milliamperes whenever the telephone handset is lifted from its cradle. Both the calling and called parties are heard on the transmitted signal. When received and tested in the Laboratory, the device operated on a frequency of 108.1 MHz. A variable tuning slug, accessible through a hole in the side of Q1, permits varying the transmitted frequency from 93 to 109 MHz. The frequency range of the transmitter permits reception of the transmitted signal on a standard FM broadcast receiver located up to a few hundred feet from Q1. The area covered by the transmitter will vary with the sensitivity of the receiver, position and type of telephone cable, and the presence of metallic and other objects in the area between the transmitter and receiver.

A device similar to Q1, known as a drop-in transmitter, is obtainable from several commercial sources that make their products available to police and private detective agencies. Q1 did not contain any identifying information that would indicate its manufacturer.

Q1 is being returned to your office under separate cover via registered mail.

GOV:JES:mcc

(7)

MAIL ROOM ☐ TELETYPE UNIT ☐

Tolson \_\_\_\_\_  
DeLoach \_\_\_\_\_  
Mohr \_\_\_\_\_  
Bishop \_\_\_\_\_  
Casper \_\_\_\_\_  
Callahan \_\_\_\_\_  
Conrad \_\_\_\_\_  
Felt \_\_\_\_\_  
Gale \_\_\_\_\_  
Rosen \_\_\_\_\_  
Sullivan \_\_\_\_\_  
Tavel \_\_\_\_\_  
Trotter \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holmes \_\_\_\_\_  
Gandy \_\_\_\_\_

RECORDED  
5-2-68  
mcc

FEDERAL BUREAU OF INVESTIGATION  
UNITED STATES DEPARTMENT OF JUSTICE

NO LAB FILE

Laboratory Work Sheet

Re: UNSUB; Microphone Device Located in Telephone File # 139-3081-3  
of Jackson Thomas Stephens, aka Jack Stephens, Lab. # E-576-JO  
Stephens, Incorporated, Little Rock, Arkansas  
UNAUTHORIZED USE OF COMMUNICATIONS

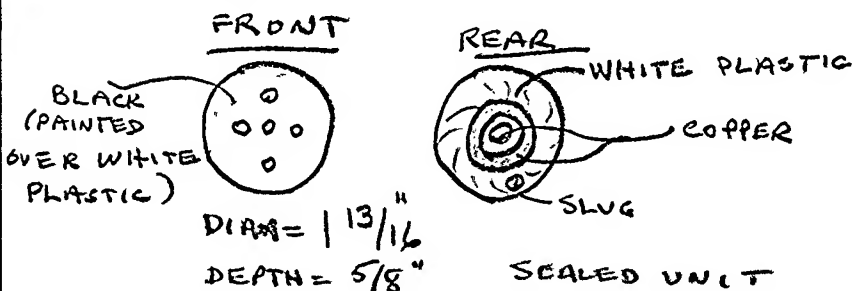
Examination requested by: SAC, Little Rock (139-30) (Let 4-25-68)

Examination requested: Engineering

Date received: 4-29-68

Result of Examination:

Examination by:   *WV*



DROP-IN XMTR

b6  
b7C

I = 35 MA

E ACROSS Q1 = 5.5V

f = 108.1 MHz  
(VARIABLE 93-109 MHz)

Specimens submitted for examination

Q1 ~~Device removed from Stephens' telephone~~  
TELEPHONE RADIO TRANSMITTER

UNITED STATES GOVERNMENT

# Memorandum

TO : DIRECTOR, FBI  
ATTENTION: FBI LABORATORY

DATE: 4/25/68

FROM : SAC, LITTLE ROCK (139-30) P

SUBJECT: "CHANGED"  
UNKNOWN SUBJECT;  
MICROPHONE DEVICE LOCATED IN  
TELEPHONE OF JACKSON THOMAS  
STEPHENS, aka  
Jack Stephens,  
Stephens, Incorporated,  
Little Rock, Arkansas  
UNAUTHORIZED USE OF COMMUNICATIONS

OO LITTLE ROCK

Title marked changed to show full name of JACKSON THOMAS STEPHENS as developed through investigation.

Re Little Rock airtel to Bureau, 4/19/68, and Bureau airtel to Little Rock, 4/22/68.

Enclosed for the Bureau under separate cover is the microphone device located in the office telephone, FR 4-4361, Ext. 2, of JACKSON THOMAS STEPHENS, President, Stephens, Inc., 114 East Capitol, Little Rock, Arkansas.

This device was not installed by the Southwestern Bell Telephone Company, according to [redacted] and was removed from STEPHENS' telephone by [redacted] of Communications, Arkansas-Louisiana Gas Company, of which WHIT STEPHENS, brother of JACKSON THOMAS STEPHENS, is president.

The Laboratory is requested to examine the device, which according to [redacted] will transmit on 8.5, 9, 10, 11.5, 12.8, 13, 21, and 26 megacycles.

4 - Bureau  
(1 - Package, RM)  
2 - Little Rock  
LMK:lrc  
(6)

REC-44

EX-115

10 APR 29 1968

ECT-17



Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

EX-115

b6  
b7c

SAC, Little Rock (139-30)

July 9, 1968

Director, FBI (139-3081) — 4

1 -

b6  
b7C

UNSUB; **EX-109**  
MICROPHONE DEVICE LOCATED IN  
TELEPHONE OF JACKSON THOMAS,  
STEPHENS, AKA  
JACK STEPHENS,  
STEPHENS, INCORPORATED,  
LITTLE ROCK, ARKANSAS.  
UNAUTHORIZED USE OF COMMUNICATIONS  
OO: LITTLE ROCK

ReLRrep of SA Louis M. Kelley dated 4/26/68.

The Department has requested a preliminary investigation in this matter which should be instituted immediately in accordance with the provisions of Section 113, Manual of Instructions. The investigation should round out facts of the complaint and should cover not only whether there has been an unauthorized interception but also whether there has been disclosure or use of the information intercepted.

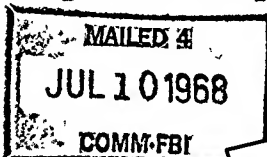
Submit a report within 10 days of receipt of this letter stating therein that it is a preliminary investigation and underline the word preliminary.

RFB:sld  
(4)

NOTE: A transmitting device was located in victim's office telephone on 4/17/68. Victim advised he had no idea why his phone line would be monitored unless it was for business reasons. Victim noted that approximately 8 months prior to discovery of the transmitter in his phone his office had been occupied by one  who had been very active in politics in Arkansas. Victim operates an investment firm. The facts of this matter were furnished to the Department on 5/9/68, and by letter dated 7/5/68, the Department requested a preliminary investigation.

b6  
b7C

Tolson \_\_\_\_\_  
DeLoach \_\_\_\_\_  
Mohr \_\_\_\_\_  
Bishop \_\_\_\_\_  
Casper \_\_\_\_\_  
Callahan \_\_\_\_\_  
Conrad \_\_\_\_\_  
Felt \_\_\_\_\_  
Gale \_\_\_\_\_  
Rosen \_\_\_\_\_  
Sullivan \_\_\_\_\_  
Tavel \_\_\_\_\_  
Trotter \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holmes \_\_\_\_\_  
Gandy \_\_\_\_\_



F58

61 JUL 24 1968

MAIL ROOM TELETYPE UNIT ☐

UNITED STATES GOVERNMENT

DEPARTMENT OF JUSTICE

# Memorandum

TO : Director, Federal Bureau of Investigation

DATE: July 5, 1968

FROM : *FV* Fred M. Vinson, Jr., Assistant Attorney General  
Criminal Division

FMV:BJA:cf

82-9-25

SUBJECT: Unknown Subject; Microphone Device Located in Telephone of  
Jackson Thomas Stephens, Stephens, Inc., Little Rock, Ark.  
Unauthorized Publication or Use of Communications

*(add on  
Spec. inv.)*

*Exo*

Reference is made to your memorandum of May 9, 1968 enclosing a copy of the report of Special Agent Louis M. Kelley dated April 26, 1968 at Little Rock.

Please conduct a preliminary investigation.

*pa*  
**EXP. PROC.**  
JUL 5 1968  
*27*

**EX-109**

**REC-19**

**139-3081-4**

**25 JUL 5 1968**

b6  
b7C

*Let to Y.R.  
7/9/68  
R.B.B. add*

*10*  
*Res*  
*LOIS*  
*WFO*

FEDERAL BUREAU OF INVESTIGATION  
WASHINGTON, D. C. 20535

DATE: 5-14-68

TO: SAC, LITTLE ROCK

Re: UNSUB; MICROPHONE DEVICE LOCATED IN  
TELEPHONE OF JACKSON THOMAS STEPHENS, AKA  
JACK STEPHENS, STEPHENS, INCORPORATED,  
LITTLE ROCK, ARKANSAS  
UPUC

Invoice of Contents

Q1 TELEPHONE RADIO TRANSMITTER

EVIDENCE

EVIDENCE

EVIDENCE

EVIDENCE

EVIDENCE

☐ Crypt.-Trans.

☐ Document

☐ P & C

☒ Radio Engineering

☒ LFPS

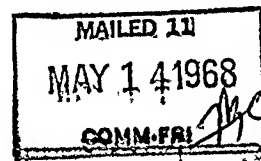
Special Instructions:

Mail Room: Show shipment date and registry number.  
Shipping Room: Show shipment date; bill of lading number;  
initial invoice; return to Section checked in block; after  
initialing in block, invoice to be placed in administrative file.

FBI File No. 139-3081

716687

6 MAY 17 1968  
REGISTERED MAIL





# FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE <b>LITTLE ROCK</b>	OFFICE OF ORIGIN <b>LITTLE ROCK</b>	DATE <b>7/19/68</b>	INVESTIGATIVE PERIOD <b>7/15-21/68</b>
TITLE OF CASE  <b>UNKNOWN SUBJECT; MICROPHONE DEVICE LOCATED IN TELEPHONE OF JACKSON THOMAS STEPHENS, aka Jack Stephens, Stephens, Incorporated, Little Rock, Arkansas</b>		REPORT MADE BY <b>LOUIS M. KELLEY</b>	TYPED BY <b>ds</b>
		CHARACTER OF CASE  <b>UNAUTHORIZED USE OF COMMUNICATIONS</b>	

REFERENCES:

Report of SA LOUIS M. KELLEY, 4/26/68, at  
Little Rock.  
Bureau letter to Little Rock, 7/9/68.

- C -

ADMINISTRATIVE:

One extra copy of this report made for the  
Little Rock Division in the event one should be furnished  
to the United States Attorney, Little Rock, at a later date.

- A\* -

COVER PAGE

ACCOMPLISHMENTS CLAIMED <b>NONE</b>						ACQUIT- TALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		
APPROVED <span style="float: right;">SPECIAL AGENT IN CHARGE</span>  COPIES MADE:  ② - Bureau (139-3081) 2 - Little Rock (139-30)						DO NOT WRITE IN SPACES BELOW	
						<b>139-3081-5</b>  <b>17 JUL 22 1968</b> <b>51 3 05 PM '68</b>  <b>REG. 13</b> <b>EX-116</b>	
						<b>STAT. SECT.</b>	
						<b>57 AUG 2 - 1968</b>	

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

## Copy to:

Report of: LOUIS M. KELLEY  
Date: 7/19/68

Office: LITTLE ROCK

Field Office File #: 139-30

Bureau File #: 139-3081

Title: UNKNOWN SUBJECT;  
MICROPHONE DEVICE LOCATED IN TELEPHONE OF  
JACKSON THOMAS STEPHENS, aka Jack Stephens,  
Stephens, Incorporated, Little Rock, Arkansas

Character: UNAUTHORIZED USE OF COMMUNICATIONS

## Synopsis:

FBI Laboratory report reveals transmitter located in telephone of JACK STEPHENS, when substituted for a regular telephone microphone, will transmit a radio signal whenever the telephone to which it is attached is in use. Both parties are heard on the transmitted signal. Reception can be made on a standard FM broadcast located up to a few hundred feet from the microphone. A device similar to this transmitter obtainable from several commercial sources. This transmitter did not contain any identifying information. [REDACTED] Southwestern Bell Telephone Company, stated no allegation received that information obtained used or publicized. JACK STEPHENS advised has no knowledge that information obtained used or publicized. [REDACTED] states has no knowledge that information obtained has been used. Does not know reason for installation. Refused to disclose source of information.

b6  
b7c

- C -

## DETAILS:

This is a preliminary investigation.

of the



FEDERAL BUREAU OF INVESTIGATION  
WASHINGTON, D. C. 20535

To: FBI, Little Rock (139-30)

Date: 5-8-68

FBI File No. 139-3081

Lab. No. E-576-JO

Re: UNSUB; MICROPHONE DEVICE LOCATED  
IN TELEPHONE OF JACKSON THOMAS  
STEPHENS, aka JACK STEPHENS,  
STEPHENS, INCORPORATED,  
LITTLE ROCK, ARKANSAS  
UPUC

Specimens received 4-29-68

Q1 Telephone radio transmitter

Result of examination:

Q1 is an FM radio transmitter housed in a round case measuring 5/8 inch by 1 13/16 inches, a shape similar to the microphone element in a telephone. The case material is white plastic with the front of the case painted a dull black.

When substituted for the regular microphone element in a telephone, Q1 will transmit a radio signal whenever the telephone to which it is attached is in use. Power for the unit is supplied by the telephone line, with 5.5 volts developed across Q1 at 35 milliamperes whenever the telephone handset is lifted from its cradle. Both the calling and called parties are heard on the transmitted signal. When received and tested in the Laboratory, the device operated on a frequency of 108.1 MHz. A variable tuning slug, accessible through a hole in the side of Q1, permits varying the transmitted frequency from 93 to 109 MHz. The frequency range of the transmitter permits reception of the transmitted signal on a standard FM broadcast receiver located up to a few hundred feet from Q1. The area covered by the transmitter will vary with the sensitivity of the receiver, position and type of telephone cable, and the presence of metallic and other objects in the area between the transmitter and receiver.

A device similar to Q1, known as a drop-in transmitter, is obtainable from several commercial sources that make their products available to police and private detective agencies. Q1 did not contain any identifying information that would indicate its manufacturer.

Q1 is being returned to your office under separate cover via registered mail.

## FEDERAL BUREAU OF INVESTIGATION

1Date 7/18/68

[REDACTED]  
Southwestern Bell Telephone Company, Little Rock,  
Arkansas, furnished the following information:

b6  
b7C

He has heard talk that the device in the telephone in JACK STEPHENS' office had been politically motivated. He could not recall the source of this information and stated it had not been verified.

He advised that so far as he knows, there has been no allegation that any information obtained through the use of the transmitter has been used or publicized in any manner.

He has no information as to who may have installed the transmitter.

On 7/15/68 at Little Rock, Arkansas File # LR 139-30

by SA LOUIS M. KELLEY/ds - 3 - Date dictated 7/18/68

## FEDERAL BUREAU OF INVESTIGATION

1Date 7/18/68

JACKSON THOMAS STEPHENS, also known as JACK STEPHENS, President, Stephens, Incorporated, Stephens Building, 114 East Capitol, Little Rock, Arkansas, furnished the following information:

[redacted] employee who advised him of the transmitter in his telephone, is now employed [redacted]

[redacted] He has not mentioned the transmitter to [redacted] since they located it in his telephone.

b6  
b7C

STEPHENS advised he did not feel that the transmitter could have been politically motivated since he is not involved in politics. He noted that he had been using this office for the past eight months and did not feel that the transmitter would have been left in the telephone this long if it had been used on [redacted] [redacted] who is active in politics.

The telephone which was used in his office prior to his moving to his present office eight months ago has never been located.

He stated he had no personal or marital difficulties.

STEPHENS noted that he had a number of confidential telephone calls on his telephone and had attempted to determine if any of this information had been used. He contacted a number of the stock brokerage houses or investment firms in Little Rock, but had been unable to determine that any information received by him over the telephone had been used.

STEPHENS advised he had no idea as to who could have used the transmitter, and had no knowledge that any information obtained had been used.

On 7/18/68 at Little Rock, Arkansas File # LR 139-30

by SA LOUIS M. KELLEY/ds - 4 - Date dictated 7/18/68

## FEDERAL BUREAU OF INVESTIGATION

b6  
b7C1Date 7/18/68

[redacted] Little Rock, Arkansas, [redacted] Little Rock, Arkansas, was contacted telephonically at Blytheville, Arkansas, and furnished the following information:

[redacted]

He is presently [redacted] and is spending most of his time [redacted] As soon as [redacted] he will return to [redacted] business.

Several months ago he received information from a source whose name he stated he could not reveal that the telephone of JACK STEPHENS, his friend and former employer, had a device in it to monitor the telephone calls. The source told him that the device would be obvious if he looked at his own telephone and then at STEPHENS'. He went to STEPHENS and they located the device in the telephone in STEPHENS' office. His source felt he was helping him and possibly STEPHENS and this was the only reason for furnishing the information. The source has subsequently stated he wished he had not said anything about it and would deny it if asked.

[redacted] said he had no idea why the device was put in, but felt it was probably some of STEPHENS' competitors attempting to obtain information concerning his business. He did not know of any use of the information obtained, and in fact did not know that any information had been obtained. He had no idea who put the device in and his source did not say where he obtained his information. The source did deny that he had installed the device. [redacted] had no idea how long the device had been in the telephone.

[redacted] again refused to divulge his source.

On 7/18/68 at Little Rock, Arkansas File # LR 139-30

by SA LOUIS M. KELLEY/ds - 5\* - Date dictated 7/18/68